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REVIEW ESSAY

Labour Migration to Ireland

Doyle, Nicole, Gerry Hughes and Eskil Wadensjö (2006) *Freedom of Movement for Workers from Central and Eastern Europe: Experiences in Ireland and Sweden*, Stockholm: Swedish Institute for European Policy Studies, 123 pages

Migrants Right Centre Ireland (2005) *Social Protection Denied. The Impact of the Habitual Residency Condition on Migrant Workers*, Dublin: MRCI, 10€, 122 pages

Ruhs, Martin (2005) *Managing the Immigration and Employment of Non-EU Nationals in Ireland*, Dublin: The Policy Institute, Trinity College, 16€, 132 pages

The story of the Celtic Tiger is also the story of Ireland becoming a country of immigration. In the 1990s Ireland became not only increasingly a target for foreign direct investment and multinational companies but also for people from different parts of the world. In 1996 for the first time more people entered the country than left it and since then net immigration always outstripped net emigration. The great majority of people migrating to Ireland are doing so in search for work, most recently in particular from the new EU member states in Central and Eastern Europe. They have 'answered Ireland's call' for additional (cheap) labour from abroad to ensure continuous economic growth rates. However, labour migration to Ireland has not only helped sustaining the economy but also has profound social consequences on the receiving country, the sending country and not least the migrants themselves. Recent publications by Martin Ruhs (2005), Nicola Doyle, Gerry Hughes and Eskil Wadensjö (2006) and the Migrant Rights Centre (2005) are all concerned with different aspects of labour migration that in many aspects profoundly changes Irish society.

Martin Ruhs examines recent immigration to Ireland with a particular focus on labour immigration policy. He points out that the main rationale for labour migration has been an unprecedented demand for labour since the economic boom took off in the mid-1990s. This led to a sharp increase in the number of migrant workers coming to Ireland. The great majority of those workers who were mainly from eastern Europe and Asia entered Ireland on a work permit whose numbers hugely increased from nearly 6000 in 1999 to nearly 50000 in 2003. According to Ruhs these work permit policies were mainly employer-led with little state intervention until 2003 (pp. 31-38). However, with the Employment

Permits Act of 2003 that enabled workers from the new EU member states to freely access the Irish labour market, the Irish state adopted a more interventionist and restrictive role with regard to work permits. As the expectation was that most if not all of those vacancies would be filled by workers from the enlarged EU, Ireland pursued a more restrictive work permit system from now on. However, while there has been a sharp increase of migrants from the accession states, there continued to be a need for workers from outside the EU25, so that work permits, while drastically reduced in numbers have not disappeared (pp. 39-45).

Not surprisingly, better economic opportunities are the main reason why most people migrate to Ireland. Even though many migrant workers only receive the minimum wage, these wages are still significantly higher than in their countries of origin, notwithstanding higher costs of living in Ireland. The prospects of short-term economic gains are the main reason why many migrant workers endure harsh working conditions and infringements of their rights. As migrant workers are in more vulnerable position, Ruhs advocates the introduction of some special safeguards to protect their rights. As the 'primary policy tool' (p. 93) he proposes the introduction of portable work permits to ensure that migrant workers are no longer tied to a particular employer and have some freedom of movement in the Irish labour market. Other potential policy options include the introduction of a permanent immigration programme like the 'points system' operating in Canada. This would open up a new avenue for non-EU citizens to achieve permanent residency in Ireland without becoming naturalised.

While the heading 'combating illegal immigration and illegal working' (p. 102) inevitably smacks of a law and order approach to irregular migration, his discussion of a regularisation programme for undocumented workers is more imaginative. He rightly points out that in Ireland there is scant knowledge about the extent of irregular migration. As it is estimated that up to half a million undocumented migrants are in Britain (*The Sunday Times*, 17.4. 2005), it is credible to assume that at least a few thousands migrant workers with no regular status live and work in Ireland. Thus, there is a need in Ireland for an informed debate about a regularisation programme for undocumented workers.

Altogether Ruhs offers a comprehensive overview of labour immigration policies in Ireland. He convincingly argues the case for a balanced approach in the design of these policies that takes into account the interests of the host society, the sending country and migrant workers alike. It is true that 'Ireland has maintained labour immigration policies that are among the most liberal in Europe' (p. 2). However, it is worth recalling that 'liberal' can mean 'not doing much at all' and is not the same as 'inclusive'. While the government may have adopted a more 'interventionist approach' (p. 39) in regulating the numbers of work permit holders, such an 'interventionist approach' is, for instance, still missing in providing adequate health and education services for immigrants.

Ireland's more liberal migration regime was again visible at the time of the enlargement of the EU in May 2004 when Ireland, together with the UK and Sweden, were the only countries that opened their labour markets to the new accession states (A8).¹ However, the migration experience of Ireland and Sweden has been quite different as a recent study by Nicola Doyle and Gerry Hughes from the Economic and Social Research Institute in collaboration with Eskil Wadensjö from the Swedish Institute for Social Research at Stockholm University point out. While Sweden only received around 10,000 A8 workers up to the end of 2005, migration to Ireland was with over 60,000 new workers from the A8 countries in the same period much higher than initially projected. According to Doyle et al. these differences can be explained by the more dynamic and flexible Irish labour market. Beside the strong labour demand another pull factor particularly for highly educated migrants is the English language that may help to explain why more people from A8 countries migrated to Ireland (and the UK) than to Sweden (pp. 70-71). On the pull-side, perhaps not surprisingly people who migrate come from countries with relatively high levels of unemployment and low income. Doyle et al. found that the most significant factor for people to migrate to Ireland is the difference in GDP per capita. Although Poles make up the highest number of migrant workers in Ireland, nationals from Lithuania and Latvia, which have the lowest GDP per head, have the greatest propensity to move to Ireland (p. 62).

As regards the economic impact of migration, neither Ireland nor Sweden has experienced a rise in unemployment since the enlargement of the EU. Thus, if there has been some form of 'displacement' of indigenous workers by immigrants, the former must have found new employment, as in Ireland the unemployment rate has in fact slightly declined in 2004 and 2005 (p. 69). In terms of wages, economic theory suggests that an increase in the supply of labour may lead to a decline of wages and Doyle et al. point out that in fact earnings growth has decreased in eight out of ten sectors in the post-accession period. However, this decrease in earnings growth may be well within 'historical experience' (p. 63) and further research is needed to confirm if this decrease is mainly due to the inflow of workers from Central and East Europe or if other factors like seasonal changes contributed to it as well.

Doyle et al. acknowledge that the inflow of A8 workers has led to some controversial incidents in both countries as regards the underpayment of migrant workers, employment standards and replacement of indigenous workers. In Ireland the Gama and Irish Ferries cases received most publicity. In the former case it became apparent that the Turkish Gama Company had paid its less-skilled construction workers wages well below the minimum wage while in the latter case the decision by Irish Ferries to replace its Irish staff with cheaper agency workers

¹ 'A8' refers to those eight accession countries from Central and Eastern Europe for whom most EU15 states have put in place travel restrictions. No such restrictions have been put in place for nationals from Malta and Cyprus who also joined the EU on 1 May 2004.

from Eastern Europe led to the biggest public protest seen in Ireland for decades (pp. 66-67). In Sweden the Vaxholm case raised similar concerns when a Latvian company refused to pay its posted workers the local rate after it had secured a contract from the Vaxholm municipality near Stockholm (p. 39). Notwithstanding such incidents Doyle et al. conclude that 'the enlargement of the EU has not resulted in any disturbances in the Swedish or Irish labour markets' (p. 14).

Overall, this study shows that despite the different size of migration to Ireland and Sweden, inward migration did not trigger a rise in unemployment nor are A8 migrants in any way overrepresented in the welfare schemes of their host countries. Quite the reverse, the migration of workers from the Accession States of Central and Eastern Europe has been particularly beneficial for Ireland where there was a huge demand for new labour to sustain the burgeoning economy. All in all, Doyle et al. offer the first systematic study on the economic impact of labour migration from the new accession countries to Ireland (and Sweden). However, such important research on the economic dimension of migration needs to be complemented with research on the experience of migrant workers in Ireland, which is, apart from a few small-scale studies, still absent. That migrants sometimes face particular hardship in Ireland is demonstrated by a report of the Migrant Rights Centre Ireland (MRCI 2006).

This report examines the impact of the Habitual Residency Condition (HRC) on migrant workers. The HRC came into effect on the day of enlargement of the EU on 1 May 2004 as an additional criterion for qualifying for social welfare benefits. The day of its enactment was no coincidence as it was aimed to prevent 'welfare tourism' from the new EU member states. In introducing such a habitual residence test, Ireland followed the example of Britain to tighten the rule on social welfare at a time when scaremongering about an inflow of 'welfare tourists' from the East was rife particularly in British tabloids. Sweden, the only other country beside Britain and Ireland that opened its labour market to the citizens of the accession countries, did not restrict access to its welfare system. Following the logic of the 'welfare tourism' argument, Sweden should have received an 'influx' of people from Eastern Europe. Far from it, as the vast majority of Eastern Europeans migrated to Britain and Ireland, clearly suggesting that the main rationale for people to move is the search for work (pp. 27-30; see also Doyle et al. 2006).

The introduction of the Habitual Residency Condition had severe implications in particular for those migrant workers in Ireland who only arrived recently in Ireland as the conditions of habitual residence is only fulfilled if he/she has been present in the Common Travel Area comprising Ireland, the UK, the Isle of Man and the Channel Islands for at least two years (p. 44). Although exceptions are made to this rule, migrant workers who are deemed not to have their 'main centre of interest' in Ireland do not qualify for social assistance payments, Child Benefit and access to emergency accommodation under the terms of the HRC. This can

have severe consequences for migrants in case of homelessness, unemployment, injuries and illness and domestic violence as the following example shows:

Ona (not her real name) came to Ireland from Lithuania in February 2001, received her PPSN number shortly afterwards and began working in a restaurant. She came to Ireland on a visitor's visa and was undocumented until May 1st when Lithuania became part of the EU. Ona worked in this restaurant until early 2005 when she became too ill to work. She was diagnosed with Parkinson's Disease. Ona applied for unemployment assistance in February 2005 and in June 2005 was denied payment. Her application was refused on the ground that: she has no ties to Ireland; that her centre of interest is not in Ireland; that she has not been legally resident for 2 years in the state; and that her future intention to remain in the state is short term (p.66).

Migrant workers who are found not to be habitual residents have to increasingly rely on NGOs and charities. The HRC does not only weaken the social rights of migrant workers but also undermines their bargaining position at work as they might have to endure more exploitative conditions for fear of being denied social welfare benefits. Overall, according to the MRCI 'the outcome of the introduction of the HRC has been, not to deter 'welfare tourists', but to increase homelessness and poverty and deprivation for some migrant workers in Ireland' (p. 73). Thus, the MRCI advocates its abolition, as 'the rationale underpinning its implementation is no longer valid' (p. 79). Until then, the MRCI proposes some steps to ameliorate the hardship that some migrant workers have to endure. As such, migrant workers who are deemed non-habitually resident should be granted access to social assistance payments and homeless services in case of exploitative working conditions, being laid off from work, illness or injury. (pp. 79-80).

The main lesson of these three publications that all make an original contribution to the growing body of research on migration to Ireland is that labour migration is a multi-faceted process with profound consequences on the receiving country, the sending country and migrants alike. For researchers the implications should be to put greater emphasis on interdisciplinary research that focuses not only on the economic but also the social dimension of labour migration. Policy-makers have to adopt a more pro-active stance in facilitating immigration policies that take into account that labour migration is irreversibly changing Irish society. Due to its recent nature, it is difficult to predict the long-term impact of labour migration on Irish society. There is also some evidence that contemporary forms of labour migration may be more temporary than during the 'guestworker' era after World War Two. However, what is certain is that labour migration to Ireland will lead to *some form* of permanent settlement. Hence the onus is on the Government to prepare the ground with comprehensive, inclusive immigration policies that foster the integration of the 'new Irish'.

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